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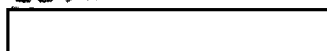
APPENDIX A

Mr. Saunders and I discussed today with Mr. Lyle Fisher, General Counsel to the Comptroller General, the problem of procuring air conditioning equipment for the CIA buildings which are not presently taken care of. I outlined the history of the attempts to get a building for CIA and the reasons for withdrawal of the request for funds. I pointed out that as a result of the withdrawal we would be forced to continue occupying the present buildings for an indefinite period of time. I mentioned the temperature conditions in those buildings and the effect on efficiency, security and loss of man hours. I related our discussion with GSA in which the GSA representative actively supported the idea that we air condition all the remaining portions of the Agency, and I further stated that the Bureau of the Budget had tentatively approved release of the necessary funds, but that it left to us the question of whether such funds could legally be spent for the desired equipment in view of the statutory restrictions on procurement. I also noted that since we did not get an annual appropriation act, we could not logically ask for specific language authorizing the expenditure. Mr. Fisher asked if it would not be possible for us to utilize our authority for expenditure of unvouchered funds. I stated that as a matter of principle we did not wish to do this unless it was clear that the expenditure was the type for which unvouchered funds were provided, and that there was no clear indication here of Congressional intent. I stressed that our appropriation matters were handled in a most confidential manner with the very minimum number of Congressmen who must necessarily be aware of our activities, and that the key members of Congress in this case would be Representative Mahon on the House side and probably Senator O'Mahoney on the Senate side. Mr. Fisher said that he did not see how he could approve use of vouchered funds which would be audited by the GAO, but that he would have no objection to our expenditure of unvouchered funds for procurement of the necessary air conditioning equipment provided we had the specific approval of the appropriate members of Congress, presumably Mr. Mahon and Senator O'Mahoney. We agreed that this was a satisfactory solution, and that we would continue in the future to utilize unvouchered funds for anything we thought appropriate for covert operations, but would not use them for this type of administrative expense without prior discussion with his office. I consider this another example of the outstanding cooperation we have received from Mr. Fisher in the past which is based primarily, I believe, on his confidence in the manner in which we are utilizing the extraordinary financial powers granted to us by the Congress.

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